

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7906

BILL NUMBER: HB 1783

DATE PREPARED: Feb 23, 2001

BILL AMENDED: Feb 21, 2001

SUBJECT: Family and Medical Leave Unemployment Compensation.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes Family and Medical Leave Unemployment Compensation. It provides that entitlement to Family and Medical Leave Unemployment Compensation is available to employees of an employer who employs fifty or more employees. The bill allows insured workers who take more than one week of job protected leave under 29 U.S.C. 2601 or who leave insured work for reasons that meet the criteria for family and medical leave under 29 U.S.C. 2612, but who are not eligible for a leave under 29 U.S.C. 2601, to receive a maximum of 12 weeks of family and medical leave unemployment compensation. It provides that payment of family and medical leave unemployment compensation is not charged against the experience or reimbursable accounts of individual employers.

Effective Date: January 1, 2002.

Explanation of State Expenditures: (Revised) The number of employees that would take advantage of the bill is unknown. There are about 1.88 million employees statewide employed by employers with 50 or more employees. The average weekly unemployment benefit is about \$214.87. Consequently, the average benefits paid over the twelve-week period would be about \$2,578. Assuming 1% of the employees used the Family and Medical Leave Unemployment Compensation, the impact on the fund would be an increase in expenditures of \$48.6 M.

The bill would not change the expenses for the Family and Medical Leave Unemployment Compensation against the experience or reimbursable accounts of individual employers. However, either all employers could be charged during the fiscal year, or the balance in the Unemployment Insurance Benefit Fund would be reduced and the rate schedule could increase to the next level.

The balance in the Unemployment Insurance Benefit Fund on June 30, 2000, was \$1.58 B.

The impact on the state of Indiana is as an employer. If 1% of state employees took advantage of these

benefits, then the state impact would be about \$900,000. For FY 2000, the state spent \$1.8 M on unemployment insurance benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: The impact on local units is as an employer.

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development, All State Agencies.

Local Agencies Affected: All Local Units.

Information Sources: Charles Mazza, Department of Workforce Development, (317) 232-7460.